

PRESS RELEASE

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“COMPANIES UNDERSTAND THAT HIGH QUALITY DISCLOSURE ATTRACTS HIGH QUALITY FINANCE”

Myanmar Centre for Responsible Business (MCRB) and Myanmar Consultancy Yever have today launched the results of the Sixth ***Pwint Thit Sa 2020 Report*** on Transparency in Myanmar Enterprises (TIME).

The annual *Pwint Thit Sa* Report aims to raise awareness and increase corporate disclosure, including publication of corporate governance and other information by Myanmar companies, based on international sustainability reporting standards. In doing so, *Pwint Thit Sa* seeks to build trust and transparency in companies, especially public companies and in financial institutions.

In 2020, the three Myanmar companies which score highest **uab bank, City Mart Holdings Group (CMHL), and Shwe Taung Group**. These companies have previously featured in the Top 10 of previous *Pwint Thit Sa* reports. *Pwint Thit Sa 2020* found that all of them continue to improve their disclosure.

This year 260 companies were assessed, 12 more than *Pwint Thit Sa 2019*. For the first time all banks were included in *Pwint Thit Sa*, a reflection of the higher standard of corporate governance required of banks in Myanmar. The 260 companies include 52 public companies (of which 8 are banks), 174 privately owned companies (of which 17 are banks), 28 state-owned enterprises (of which 4 are banks) and 6 companies listed on the Yangon Stock Exchange (YSX) (of which 2 are banks).

Although 98 companies (38%) of the 260 companies assessed this year do not have corporate websites, this is nevertheless an improvement from last year: in *Pwint Thit Sa 2019*, 108 (44%) of the 248 companies assessed did not have a website.

Vicky Bowman, MCRB Director said:

‘As ever, Pwint Thit Sa is intended to drive greater awareness of corporate governance and disclosure, with the aim of supporting companies to be better governed and more transparent. This year, despite COVID, we saw even stronger engagement by companies with the Pwint Thit Sa process. Thirty-four companies met – virtually - with MCRB/Yever to discuss their draft scores or to gain a better understanding of the criteria and what they mean for company disclosure, including eleven who hadn’t previously engaged with us. On average, this direct engagement process helped companies to improve their score by 231%.

Managing Partner of Yever, Nicolas Delange said:

'While listed companies, which scored average 39%, generally outperform public (5%) and private companies (7%), I would like to congratulate the 19 'champion' companies which score higher than the average score of the listed companies. Of these 19, 14 are private, family-owned companies, including the top 3. They have no regulatory requirements to disclose information, but they understand that being a transparent, well-governed company that explains its 'purpose' is the best way to attract investors, particularly those who are interested in 'ESG investing'. It also helps recruit and retain qualified and motivated employees and build trust with their stakeholders'.

The 2020 Scorecard covers disclosure of the same four dimensions as the April 2019 report: corporate profile, corporate governance, sustainability management and reporting. However, the scoring system was slightly adapted this year to distinguish the performance and practices of companies on sustainability and reporting. Firstly, a distinction was made between types of companies. Listed and public companies with over 100 shareholders were assessed against 143 criteria. For private companies and state-owned enterprises, there were only 113 criteria to be met, with 30 criteria to be earned as a bonus for disclosing information that listed/public > 100 shareholder companies are required to disclose. This year, a new sliding scale (0,1,2) was used for some criteria relating to policies and sustainability to reflect how closely commitments were genuinely aligned to the business and to reward companies that embraced a more holistic and comprehensive approach to disclosure instead of a compliance-driven approach. Furthermore, additional criteria were added on governance of philanthropy, and SDGs.

The full 2020 *Pwint Thit Sa* Report explains the methodology in more detail. It reviews regulatory and policy developments on responsible business, combatting corruption, corporate governance, and disclosure in Myanmar. It also highlights global trends on these issues, and sustainability/ESG reporting.

Background

1. MCRB started the *Pwint Thit Sa*/Transparency in Myanmar Enterprises (TiME) report in 2014. In 2018, it joined forces with Myanmar consultancy Yever which provides its expertise on corporate governance and disclosure. Yever is in charge of assessing companies and offering them specific feedback. This work is provided on a *pro bono* basis. Initially inspired by Transparency international's 'Transparency in Corporate Reporting' initiative, from 2018 *Pwint Thit Sa* has used the ASEAN Corporate Governance Scorecard, Global Reporting Initiative and the Integrated Reporting Framework. To date, *Pwint Thit Sa* remains the most extensive public report published about the state of corporate disclosure (CD) in Myanmar.
2. **Myanmar Centre for Responsible Business (MCRB)** is a Yangon-based initiative funded by the UK, Norway, Switzerland, the Netherlands, Denmark and Ireland, based on a collaboration between the UK-based Institute for Human Rights and Business, and the Danish Institute for Human Rights. The Centre was established in 2013 to provide an effective and legitimate

platform for the creation of knowledge, building of capacity, undertaking of advocacy and promotion of dialogue amongst businesses, civil society, governments, experts and other stakeholders with the objective of encouraging responsible business conduct throughout Myanmar. (www.mcrb.org.mm)

3. Based in Yangon, **Yever** is a consultancy offering custom made solutions to corporate leaders. Established in 2016, our team combines Myanmar talents and international expertise. We aim to foster the transformation of their companies while building their market leadership responsibly by enhancing their corporate governance and disclosure, strengthening their performance, and developing sound management practices. Purpose-driven, we aim to walk the talk: we are the only B Corp certified company in Myanmar and are proud to contribute *pro bono* for various projects. (www.yever.org)

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